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SUBJECT: Transmittal of Revised Summary of Current Economic Information (Nigeria and British Cameroons).

There is enclosed a revision of the Summary of Current Economic Information for Nigeria and the British Cameroons, containing the latest information available on the subjects covered in the Summary. It should be noted that there is no separate section on the Trust Territory (British Cameroons) as it is administered as an integral part of Nigeria and no separate data are kept on the economics of the area. All production, export, etc. data given herein for Nigeria includes Cameroons data.

It is suggested that the map of Nigeria shown on the first page of the 1947 Summary be used in this latest revision, also. There is a general lack of knowledge about Nigeria among American businessmen and it is felt that the map may prove very useful to users of the Summary. It is also suggested that the map be altered to show the designation of Ibadan, Kaduna and Enugu as capitals of Nigeria's three Regions under the new constitution.

The Consulate General would greatly appreciate receiving 100 copies of the Summary upon its publication, for the purpose of servicing inquiries made by American visitors to the post.

Robert W. Ross
for Erwin P. Keeler
American Consul General

Enclosure:
1
✓ Summary of Current Economic Information for Nigeria and the British Cameroons.

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April 1953

NIGERIA

(Summary of Current Economic Information)

GEOGRAPHY AND ECONOMY

Area and Boundaries

The Colony and Protectorate of Nigeria, including the Cameroons under United Kingdom Trusteeship, is the largest of the British possessions. It is situated on the west coast of Africa on the shores of the Gulf of Guinea, and is entirely within the tropics. It is bounded on the west and north by French West Africa, on the northeast by Lake Chad, on the east by the Cameroons under French Trusteeship and on the south by the Gulf of Guinea. The approximate total area of Nigeria, including the British Cameroons, is 372,674 square miles--equal to the combined area of Texas, Oklahoma and Maine, and four times the size of the United Kingdom.

Topography

The Niger and Benue Rivers form the major divisional lines of Nigeria, roughly defining the northern, western and eastern zones. Along the entire coastline lies a belt, from ten to sixty miles in width, of mangrove swamp forest intersected by branches of the Niger Delta and other rivers, which are interconnected by innumerable creeks. North of this region is a zone, from 50 to 100 miles wide, of tropical rain forest and oil-palm bush, which covers the greater part of the central and eastern provinces of the south. Beyond this the country rises and the vegetation changes to open woodland and grass savannah; this covers the greater part of the Northern Region, except the extreme north, where desert conditions prevail.

There are few mountains except along the eastern boundary, where a range culminates at the sea with Mt. Victoria rising over 13,000 feet. There is a central plateau, on which the mining area of Jos is located, having an altitude of nearly 6,000 feet above sea level.

Climate

Rainfall in the coastal mangrove swamp belt varies greatly, with less than 45 inches in its western section ranging to over 100 inches in the region of Mt. Victoria, British Cameroons. The annual mean temperature of this belt is 80 degrees, with comparatively small seasonal variations. Humidity in the area is very high, making it a most unpleasant residential area for non-Africans living there.

In the tropical forest, where the major oil palm groves are found, the annual rainfall varies from 40 inches in the west to 80 inches in the east. Mean annual temperature is between 75 and 80 degrees, with moderate seasonal variations.

The savannah region farther north is characterized by decreasing rainfall and increasing seasonal and daily temperature variations. Annual rainfall is below 30 inches in many areas. This area is probably the most pleasant one for non-Africans insofar as climatic comfort is concerned.

Seasons are usually well marked all over Nigeria. The dry season, with its attendant dusty winds from the Sahara, begins in the north in October and ends in April. In the south it lasts from November to April, with less marked Sahara winds. The rainy season is marked by frequent, short, heavy rains that decrease away from the coast.

Population

The population has been increasing rather rapidly. The total, estimated at 19,766,914 in 1938, was well over 24,000,000 in 1952. The non-native population in 1953 was estimated at 15 to 20,000, mostly Europeans and persons from the Middle East, with a sprinkling of Asiactics. The estimated populations of the three largest cities are as follows: Ibadan, over 400,000; Lagos, the capital, 230,000; and Kano, in the north, 127,000.

The tribal makeup of Nigeria is completely lacking in homogeneity, although there are only three major tribal groups. The Western Region is predominantly peopled by Yorubas, primarily agricultural people. There are many Moslems here and an increasing number of demi-Christians, but the majority are still so-called pagans. The Eastern Region is the center of the various sub-tribes of the Ibo people. They are also small farmers and have demonstrated great aggressiveness in government and learning. Their religion is mostly Christian or pagan. The Hausa people predominate in the Northern Region and Mohammedanism is their religion, although pagan "islands" exist among the older resident native groups. These Moslems were the conquerors of most of what is now Nigeria before Europeans came and their dominion reached to within 150 miles of the seacoast in some areas. They are still very independent in outlook and consider the inhabitants of the other two regions as less civilized.

The basic racial strain throughout Nigeria is that of the indigenous Congo-type negro, although successive waves of Berber and other Mediterranean stocks have been absorbed in Northern Nigeria.

Form of Government

The basis of present Nigeria was proclaimed in 1914, when the protectorate of Northern Nigeria was amalgamated with the Colony and Protectorate of Southern Nigeria.

In line with the established policy of the British Government, a new constitution granting larger measures of self-government to Nigerians was brought into effect late in 1951. Under this constitution the country is divided into three Regions--Western, Northern and Eastern, with capitals at Ibadan, Kaduna and Enugu--governed under a type of federal system. Each Region has its own legislature, competent to deal with specified Regional matters, and from these legislatures (two houses in the North and West, one in the East) are sent representatives to the House of Representatives in Lagos. Each Region has a Lieutenant-Governor who heads the Region's Executive Council and acts as the Governor's representative. Election to the Regional houses is indirect, excepting direct election for Lagos' representatives in the Western House of Assembly. The membership of the Regional houses choose representatives from the houses to sit for the Region in the central House of Representatives.

Three major political parties are active in Nigeria.

Certain stated fields of government are reserved for the central House of Representatives and the Council of Ministers in Lagos. The central executive is made up of the Governor and the Council of Ministers, the membership of which is chosen by the Governor. Certain powers are reserved for the Governor of Nigeria, but the majority of governance is carried out by the other central and local bodies, in all of which there is a Nigerian majority.

Nigeria is characterized by a lack of tribal and traditional unity and this extreme variance between the ethnic and geographical regions of Nigeria has carried over into its new government, bringing many problems and obstacles to final unity.

Production

The economy of Nigeria is built around agriculture, forestry and animal husbandry. Although the prosperity of the country depends largely on agricultural exports, the production of food crops for home consumption is a major feature of local agriculture and gives the country a great measure of self-sufficiency insofar as native food requirements are concerned. Principal food imports are sugar, salt, flour and fish.

The chief food crops are yams, maize and cassava in the south and guinea corn, peanuts, and millet in the north. There are few paid agricultural laborers in Nigeria. The system of land tenure

usually makes it possible for each of the adults to have land for his own use and his family supplies most of the necessary labor. Most of the farms are small but they are usually large enough to supply food for the family and some produce for sale either in the local market or, through a marketing organization, for export. There has been a tendency in recent years in certain areas of Nigeria to pay more attention to the production of cash crops for export, but in general this has not had a serious effect on the production of food crops. Cropping tends to be limited to a few main staples and condiments. Apart from the extreme northern belt, the presence of tsetse fly restricts the keeping of cattle over the greater part of the country. Even in the extreme north, however, where cattle are plentiful they are almost all owned by nomadic Fulanis who rarely farm; the true cultivator seldom possesses cattle of his own.

Plantation production is generally limited to the growth of bananas in the British Cameroons and some plantation rubber in Warri Province and in the Cameroons.

Among the major export crops of Nigeria are palm kernels, palm oil, peanuts, and cocoa. Other important agricultural and forest products exported abroad are hides and skins, logs and timber, cotton and spices.

Palm kernels are gathered in the tropical forest belt and are an important export item, amounting to 374,163 long tons in 1952. Cocoa is grown from the forest belt to savannah country and accounted for 114,731 tons in export in 1952. The yield of the 1952/53 crop is expected to be about 100,000 tons, a slight drop from the previous year. It is anticipated that coming years will see a general slight production drop as the result of overage trees and incursions of various cocoa diseases. At the present time, however, all cocoa, cotton, peanuts, and oil palm products produced in Nigeria is marketed by Government agencies at controlled prices. Cotton lint and peanuts are largely produced in the northern areas. In 1952, estimated production was: peanuts, 400,000 long tons, cotton, 19,296 long tons.

The animal population has never been accurately counted but the Director of Veterinary Services estimated in 1952 that the total livestock approximated five to six million cattle, seven million goats, and over six million sheep. Livestock production in the north is slowly increasing and more than three million pounds worth of hides and skins, largely untanned, were exported in 1952.

Hardwoods of various types, including mahogany, are cut in the forest belt in an amount which varies greatly, depending upon the market. Most of this volume is exported in the form of logs, although a small but increasing amount is sawn in Nigeria. 1952

timber exports were: logs, 7,705,596 long tons; sawn timber 948,627 long tons.

Mineral production in Nigeria is largely confined to tin ore, which normally ranks as one of the most valuable export items. Coal, small quantities of gold, columbite and wolfram are also commercially produced in small quantities. The Nigerian Government reports that the value of principal mineral products exported in 1952 amounted to £9,008,009[1], made up as follows: Tin ore, £7,665,521; columbium ore, £1,306,688; gold bullion, £64; and tungsten ore £35,736. During the same year, quantities exported included: Tin ore, 10,575 long tons; columbite, 1,228 long tons; wolfram, 46 long tons; and gold, 5 ounces. The Nigerian Coal Corporation (only operator) reported its production April 1, 1950-March 31, 1951 as 583,433 long tons; an amount considerably lower than several previous years due primarily to labor difficulties at the mines.

Industries and Postwar Development Plans

Nigeria is not industrialized and its industries are confined to small establishments engaged in extracting palm and cotton seed oil, sawing lumber and tanning, and small factories making plywood, cigarettes, beer, soap and metal drums. Plans for an extensive development program, however, were formulated in 1945 and on February 7, 1946, the Legislative Council approved a broad Ten-Year Plan of Development and Welfare for Nigeria. The plan was to be divided into two five year periods with a review at the end of the first period; when the review was made in 1951 substantial changes in emphasis were called for. The present plan, as revised, calls for expenditure on such projects as the following: agricultural development, soil conservation, mechanization experiments, stock breeding farms, crop research, increased national radio facilities, establishment of technical and trade schools, development of further electrical services throughout Nigeria, forest protection and preservation, port and inland waterways development, irrigation and well development, establishment of rural health centers, road development, establishment of a teaching hospital at University College, Ibadan, and establishment of small pilot textile plants.

The total cost of the plan is estimated to be £34,183,641 with sources of funds as follows:

Colonial Development and Welfare Grants	£16,212,584
Loan Funds	9,950,450
Nigerian Revenue Contribution	8,020,607

Allocation of funds to the various regions for the above development projects is as follows:

[1] One British West African pound (£) equals $2.80

Northern Region	£12,648,741
Eastern Region	5,494,167
Western Region	5,882,323
Central Allocation (Colony area)	10,158,410

The significantly larger allocation to the Northern Region demonstrates general acceptance of the fact that this Region is the most undeveloped of the country and needs additional assistance if it is to "catch up" to the remainder of Nigeria. It should be mentioned that all estimates are lower than originally made because of the fact that the first five years' experience has shown that projects of the originally planned magnitude simply cannot be carried out within the established lifetime of the plan.

It is too early to finally assess the success of the Plan, both by reason of its recentness and the fact that there is considerable parallel expenditure by normal government agencies in development projects. However, there can be no doubt that the welfare of many areas of the country has been improved by the plan's expenditures.

Transportation

RAILWAYS - The railway system of Nigeria is Government-owned through a public corporation. Nigeria has the second largest system in the British Colonies, with one line connecting Lagos with Nguru, 847 miles to the north, and another, serving Port Harcourt, connects with the Lagos line at Kaduna Junction. Branches serve Kaura Namoda and Jos, and there is also a light railway (2'6" guage) connecting Zaria and Jos.

The railway serves the main cattle, peanut and cotton producing areas of the Northern Region, the tin mines of the Plateau, the palm kernel and palm oil districts of the Eastern Region and the coal mines around Enugu, as well as providing the principal means of distribution of goods imported at Lagos (Apapa) and Port Harcourt. 1,714,938 tons of freight were carried from April 1950 to March 1951.

Main line passenger services are provided by "Limited" trains which run from Lagos and Port Harcourt to Kano and Jos three times weekly in each direction, mixed trains providing the intermediate services. The journey from Lagos to Kano takes about 42 hours and the first class fare is £12-10-0.

The total length of 3'6" gauge track is 2,218 miles. In 1951 rolling stock in service for this trackage consisted of 177 locomotives, 316 passenger cars, and 4,400 freight cars. The total capital expenditure on the Nigerian Railway (excluding road motor services operated by the railway system) up to March 31, 1951 amounted to £26,263,355.

WATERWAYS - There are approximately 2,310 miles of navigable inland waterways (all season figure) in Nigeria. The Nigerian Marine Department maintains services between Lagos and Sapele, Burutu and Koko, and Forcados, Burutu, and Warri. Other services are also furnished--both scheduled and non-scheduled--by five major shipping lines operating on the West Coast of Africa.

The Niger and Benue Rivers are navigable for 7-foot vessels at certain seasons, except for the rapids above Jebba on the Niger. On the Cross River, navigation is maintained up to Bansara. Craft used on these waterways vary from shallow-draught paddle-steamers to modern ferry boats and power barges. A network of creek and delta waterways, used extensively for native transport, connects Port Harcourt and Lagos.

HIGHWAYS - The most-used form of transport in Nigeria is by road, as the railway and rivers serve only limited areas and do not provide adequate cross-country facilities. The highway system, therefore, is of fundamental importance both to internal and external trade, and is being extended year by year. A fair road network is developing, with approximately 18,795 miles of all-season gravel or laterite roads and approximately 1,114 miles of bituminous roads. The roads are usually 10 to 14 feet wide with grass or gravel shoulders. This is considered sufficient width for normal purposes but on some of the main roads widening has become nece[illegible]y. Certain areas of Nigeria are still inaccessible by road du[illegible]g the rainy season, but dry-season roads crisscross most of the country. It should be noted that most of the bridges in Nigeria will not support heavy equipment because of the continued use of narrow plank bridges which strictly limit the maximum supportable weight. Almost no very heavy freight moves via road, and the railways are at present incapable of meeting fully the transport demands made upon it. The nature of the roads makes it customary, whenever possible, to travel upcountry in pickup type trucks or heavy automobiles.

The main rivers, the Niger and Benue, are crossed by combined road and rail bridges at Jebba and Makurdi respectively. Some rivers are not bridged but are crossed by ferries. Road travelers should assure themselves, prior to any trip, that the planned route is in fact passable and that the ferries will be operating when they reach any rivers en route.

The road system in the Cameroons is poorly developed and only one dry season road connects with the main Nigerian system.

AIR ROUTES - International access to Nigeria by air is readily available, either via Kano or Accra to Lagos. British Overseas Airways, KLM, Air France and Sabena maintain regular service from Kano to points in Africa and Europe; BOAC furnishing Kano-Lagos service via its own planes and those of West African Airways

Corporation while Air France stops in Lagos from adjacent French West Africa. The Kano airport is currently being expanded to service jet transport aircraft flying from Europe to South Africa.

Internal air travel is furnished by West African Airways Corporation, which also maintains its own schedules to other West African cities and to Khartoum. All major cities in Nigeria and the British Cameroons may be reached via this airline, although heavy demands make it necessary to book space well in advance. It should be noted that WAAC is increasing its air freight facilities and this mode of shipment is becoming increasingly popular for certain types of low bulk, high value merchandise.

PORTS - Lagos (and Apapa) is the chief port of entry; others in order of importance are: Port Harcourt, Burutu, Calabar, Warri and Sapele. Victoria and Tiko are the ports for the Cameroons. Ocean-going vessels can berth alongside wharves at Lagos, Port Harcourt, Calabar and at some of the river ports.

Lagos: The draught at Lagos Bar is 27 feet and the maximum accommodation in port is:

	Length	Draught
Apapa Wharf	500 feet	26 feet
Customs Wharf	500 feet	24 feet
Government Oil Wharf	460 feet	25 feet
Ijora Wharf	500 feet	19 feet
Marina Bouys	500 feet	24 feet

Vessels of up to 600 feet in length and 27 feet in draught can anchor in the Pool anchorage where there is accommodation for six ships. The two main wharves, Apapa and Customs, can now accommodate a total of seven ships, but the Apapa Wharf is being extended to ultimately handle five additional ships.

Limited facilities exist for dry-docking and repairs. There is a floating dock with a lifting capacity of 3,600 tons deadweight, and a Government slipway with a capacity of 250 tons.

Coal bunkers are not normally available but application for emergency supplies may be made to the Chief Superintendent, Nigerian Railways, Ebute Metta. Fuel oil is obtainable alongside the Government Oil Wharf.

Port Harcourt: Located 41 miles from the sea on the Bonny River. Depth of water alongside the main wharfage is 24 feet, with harbor and channel 19 to 60 feet. The width of the river is 500 feet to 800 feet at low water and depth of water at the bar is 21 feet (high water). The main wharf can accommodate four vessels, the largest berth being 600 feet. At the coal conveyor

there is a berth up to 450 feet on a draught of 22 feet and there are also tanker mooring bouys to take a vessel of 500 feet in length and 20 feet draught.

There are limited facilities for repairing vessels, including one Government slipway with a capacity of 40 tons. Bunker coal is available through application to the Nigerian Coal Corporation at Enugu.

Burutu: Located on the Forcados River and privately owned by the United Africa Company, Ltd. It has expanded considerably in recent years and is the base of the Company's Niger River fleet of nearly 90 craft, but is also open to ocean vessels. Three ocean-going ships can be berthed at the wharves simultaneously and five can be handled in a week. Cranes, mechanical stackers and electric tractors are used to facilitate cargo handling at Burutu.

Calabar: Located 48 miles up the Calabar River; has a small Government wharf available for ocean-going vessels with a depth alongside of 15 feet. There are also two commercially-owned jetties, with a depth of 22 feet at low water. A mooring bouy for the use of ocean-going vessels with draught of up to 22 feet is maintained. Maximum advised draught in view of the crossings and flats at the mouth of the river is 20 feet at high water.

Victoria: (Cameroons) Four vessels may anchor in Ambas Bay where there is a draught of 53 feet. There is a breakwater at Bota, alongside which lighters may discharge. No bunkering or repair facilities.

Table 1 - Shipping Entered, Directly From Other Countries (1952)

Port of Entry	No. of Ships	Net Registered Tonnage
Lagos	678	1,849,532
Sapele	34	96,174
Warri	3	10,229
Burutu	46	126,331
Port Harcourt	86	190,562
Calabar	72	63,599
Victoria	51	120,259

(Note: Not all harbors' traffic included this table.)

Complete details of port facilities at the Port of Lagos and Port Harcourt may be obtained from the British Commonwealth Division, Office of International Trade, Department of Commerce, Washington 25, D.C.

Communications

Telephone facilities are available in all important urban centers and in many smaller towns. Service is being slowly expanded each year. There were in 1945, 59 telephone exchanges; in 1951 there were 79. In 1945 there were 73 call offices, in 1951 there were 102 call offices. In 1945 there were 5,314 telephone instruments in use, while this figure had reached 10,502 in 1951 (5,298 private instruments).

Telegraph lines generally follow the lines of the railways and main roads, and telegrams are accepted for transmission at all the stations on the eastern and western divisions of the railway as well as at all offices maintained by the Nigerian Posts and Telegraphs Department, in most of the principal towns. It should be noted that telegrams are exceedingly slow in transmission within Nigeria. It is hoped to replace telegraphic facilities with the expanding VHF radio transmission system, thereby improving service. Radio-telephone calls may be placed between Lagos and Europe, the United States and Canada. Cable connections exist with Accra, Freetown, and Ascension Island (for connections to Europe and South Africa, Cotonou (for Dahomey) and Principe and Sao Thome (for Angola and the Belgian Congo). Ship-to-shore telegraph facilities are maintained at Lagos.

Currency

The currency of Nigeria, which is the same as that of the Gold Coast, Sierra Leone, and the Gambia, is linked to the British pound and is issued and controlled by the West African Currency Board with headquarters in London. The standard coin is the West African shilling. Notes of 10 and 20 shillings (£1) are current, along with West African sixpence, threepence, and penny and half-penny coins.

The average current rate for the same of dollars by local banks is 2.801 per West African pound, plus one-eighth of 1 percent as brokerage charge plus one half of 1 percent as exchange charge. Dollars are bought at 2.803 per West African pound, less one-eigth of 1 percent brokerage less 1.25 percent exchange charge (exchange charge is only three-fourths of 1 percent if cover is in the bank's possession). Customers are charged for cables and airmail incurred by the bank on the transaction. West African currency is freely convertible into sterling, subject to the usual bank commission.

Owing to the shortage of available dollar exchange, in relation to demand, imports from the United States are rigorously controlled through licensing and exchange. Consequently, goods should not be shipped from the United States to Nigeria until assurances have been received that an import license has been issued and dollar exchange approved, otherwise the goods are subject to confiscation

and the importer to a heavy fine.

Weights and Measures

Imperial weights and measures are the standard in Nigeria, including the long ton of 2,240 pounds, and the imperial gallon, which is equivalent to 1.2 United States gallons.

Banking and Insurance

Three foreign-owned banks handle most Nigerian banking. These banks are Barclays Bank (Dominions, Colonial and Overseas) with head office in London; Bank of British West Africa, Ltd., with head office in London. Largest of the Nigerian-owned banks is the National Bank of Nigeria, Ltd. which reports a paid up capital of £38,222. Several other locally-owned banks have recently gone into voluntary liquidation as the result of mis-management, faulty accounting and inability to meet depositors' demands. The enactment, in 1951, of a new Banking Ordinance is expected to force many unsound local banks out of business and develop a heretofore non-existent stability and security in locally-owned banking circles.

There are, at present, two resident insurance companies operating in Nigeria, The Royal Exchange Assurance and the British Commonwealth Insurance Co. Ltd., both having main offices in Lagos for Nigeria. At least twenty reputable foreign insurance companies have agencies in Nigeria, and full details may be obtained by writi g to the Department of Commerce and Industries, Lagos.

Foreign Trade

The foreign trade of Nigeria is based on the exportation of raw materials and the importation of consumer goods, and this external trading has increased greatly in recent years, partially because of the higher value of goods but also from increased production and increased demand for goods from abroad. The total external trade of Nigeria in 1947 was valued at approximately £77 million, while the 1951 value of this trade was approximately £215 million. Typical principal imports are cotton piece goods, silk and artificial silk piece goods, iron and steel manufactured goods, petroleum products, machinery, fish, cement, commercial vehicles, cars and spare parts, beer, bicycles and parts, and jute bags. Among Nigeria's leading exports are cocoa, palm kernels, palm oil, peanuts, tin ores, rubber, hides and skins, cotton, wood and timber, and bananas (British Cameroons). The principal exports in 1945 and 1952, with their £ value are shown in Table 1.

Table 1.-Principal Exports of Nigeria and British Cameroons, 1945 and 1952
(In West African Pounds)

Commodity	1945	1952
Cocoa	2,150,376	28,666,151
Palm Kernels	3,496,464	20,411,981
Palm Oil	1,894,005	14,617,372
Peanuts	2,696,439	17,995,677
Cotton (including linters)	63,601	6,733,573
Benniseed	79,176	1,084,466
Peppers and Chillies	41,084	37,022
Kola nuts	562	6,894
Ginger	631	61,924
Piassava Fibers	23,035	113,763
Rubber	1,220,207	4,137,524
Logs and Timber	271,045	2,690,357
Coffee	75	98,885
Hides and skins	907,209	3,230,245
Beeswax	4,444	61,560
Tin ores	3,129,265	7,665,521
Gums	105,015	255,415
Coal	256,255	3,284
Columbite	341,509	1,306,688
Wolfram	2,277	35,736
Bananas	(data not available)	2,186,898

By far the greatest proportion of Nigeria's aggregate trade is with the British Commonwealth of Nations, principally with the United Kingdom itself. Although Japan is now the first-ranking non-Commonwealth supplier to Nigeria, the United States has the largest total trade with Nigeria of any non-Commonwealth nation, in value of trade. Tables 2 and 3 show in greater detail the sources of Nigeria's imports and her leading markets.

Table 2.-Nigeria's Imports, by Principal Countries of Origin, 1952
(In West African Pounds)

Country of origin	1952
United Kingdom	58,207,455
Other British Empire	8,528,232
Japan	11,344,649
Germany	6,458,907
United States of America	5,180,788
Netherlands Possessions	4,558,453
Italy	3,883,963
Netherlands	3,782,745

Country of origin	1952
Norway	2,667,782
Belgium	2,024,333
France	1,457,050
Mexico	394,646
Sweden	348,227
Switzerland	348,227
Other countries	3,163,531
TOTAL	113,113,000

Table 3.-Nigeria's Domestic Exports, By Principal Country of Destination, 1952.
(In West African Pounds)

Country of Destination	1952
United Kingdom	91,110,445
Other British Empire	1,481,854
United States of America	14,818,052
Germany	2,584,992
Netherlands	2,208,811
Irish Republic	1,169,371
Italy	695,578
Norway	399,668
France	333,519
Czechoslovakia	257,528
Other countries	773,813
TOTAL*	115,835,611

*Excluding Ship's Stores and Parcel Post

Exchange and Import Controls

No foreign supplier should attempt to export to Nigeria without some understanding of the current exchange and import controls, as many foreign shippers have suffered significant losses from failure to assure that they have complied with these regulations. The Exchange Control Ordinance (No. 35 of 1950) and amendments have established controls similar to those in force throughout most of what is commonly called "the sterling area". The following activities are subject to control by the above ordinance; purchases, sales and loans of gold and foreign currencies; all payments to residents outside the sterling area; compensation arrangements between residents and non-residents of the sterling area; repatriation of proceeds of goods exported to non-sterling territories; foreign

investments in Nigeria; and dealings or transfers of securities. Enquiries on this subject can be made through a bank in Nigeria or directly to the Nigerian Exchange Control, The Secretariat, Lagos. There is also an Exchange Control Manual available on purchase at £0-1-9 from the Government Printer, Lagos, or Crown Agents for the Colonies, 4 Millbank, London, S.W.1.

The Control of Imports Order in Council, 1950, as amended, prohibits the importation without license of all goods excepting, under certain conditions, commercial travelers' samples and personal effects of passengers arriving in Nigeria. This fact should be emphasized, as small buyers in Nigeria often attempt imports without licenses, causing the foreign shipper to lose his merchandise. The Director of Commerce and Industries is the Import Licensing Authority and no goods may be imported without a license from his office. Inquiries via mail should be addressed to:

The Import Licensing Authority,
c/o Department of Commerce and Industries,
Lagos, Nigeria.

Nigerian import licenses are issued in one of three types: (1) Open General License-Import; this license allows importation of practically all classes of goods originating in the United Kingdom, British Colonies and Mandated territories. (2) Special General License; this license allows its holder to import a wide range of goods from the sterling area and a list of about 40 other countries. (3) Specific License; this license may be applied for in cases not covered by one of the other types. Applications should be accompanied by firm offers from overseas suppliers. Specific licenses for goods from the so-called hard currency area are restricted to those items which are essential and cannot be obtained from the sterling or soft currency areas; such a license is also necessary for Nigerian imports from Japan.

There is also a system of export licenses covering all goods excepting samples and personal effects of travelers.

Tariff Structure

The customs tariff of Nigeria is nonpreferential and is chiefly for revenue. Customs and excise revenue accounted for approximately 55 per cent of total revenue during the financial period 1951-52. The greater part of the customs revenue is derived from specific duties, inasmuch as most dutiable items listed in Nigeria's present customs import tariff are subject to duty on a specific basis. A large number of articles are dutiable at either a specific rate or an ad valorem rate of 20 per cent or 10 per cent, depending on whether the ad valorem or the specific rate is higher. There are also export duties on many Nigerian goods, either specific or ad valorem at about 10 per cent.

A number of commodities are exempt from payment of customs import duties. Included among these are inexpensive radio receivers, movie films and raw stock, aviation gasoline, agricultural machinery, artisans' tools, mining machinery, drugs and pharmaceuticals, packing materials and articles deemed necessary for the economic and social development of the country.

Packaging Requirements

Extreme care must be used in packing goods destined for Nigeria. Such shipments are liable to be handled several times and as rough stevedoring methods are used there is serious danger of breakage. Prevalence of insects and very damp conditions make it necessary to pack goods in such a way as to give them maximum protection against these conditions. Any instructions given by the Nigerian buyer as to the type of packing should be carefully followed.

At the larger ports there are some normal unloading and loading facilities, but at the smaller ports the goods are likely to be lightered and subjected to clumsy stevedoring. Fragile goods must be packed for maximum protection and, if possible, all goods should be packed so that they are small enough to be handled without cranes.

Any perishable goods should be packed in vacuum or airtight containers.

Marking requirements are similar to those in other British areas and should show the name and shipping mark of the consignee as well as his address.

SALES POTENTIALITIES

Purchasing Power

Reliable estimates of the national wealth are not yet available, although it can be stated that, by American standards, it is very low in proportion to the population. Most of the national wealth is potential, since Nigeria is largely an undeveloped country, still close to the primitive state over large areas. Outside of a few traders and professional people in the major cities and towns, the indigenous population of Nigeria exists on very low incomes, although in general gross incomes are much higher than in prewar years. The steadily increasing purchases of such items as bicycles, corrugated iron roofing and luxury textiles indicate an improvement in the national standard of living over the past few years. Most of the agricultural population farms close to a bare subsistence basis and can devote only a very small proportion of its production to cash sales for retail purchases and savings. In 1952 an Oxford University survey group estimated in its report that the average annual per capita income was about £14 while a local official estimate put it at £20. It should be borne in mind that this in nowise reflects

the per capita income of the bulk of the Nigerian people, as the average figure is raised considerably by the small number of very wealthy residents.

There is a more than adequate supply of labor, although most of the employed labor force in the country is unskilled. The wage scale is low, but because of the low labor standards and productivity labor costs are comparatively high. During recent years the cost of living has risen rapidly, according to general opinion of local agencies concerned with this question, although no accurate estimates as to relative indices are available. Despite the rise in the cost of living, however, the number of depositors in the Post Office Savings Bank has increased greatly during recent years. This Bank had deposits as follows: 1939-40, £209,749 from 49,000 contributors; 1944-45, £1,184,823 from 84,130 depositors; and in 1950-51 this had risen to £3,093,208 from 168,954 depositors.

Indicators of Business Activity

Internal trade can best be measured through imports because other statistics are either nonavailable or are not sufficiently comprehensive. The data in Table 5, taken from the annual report of the Posts and Telegraphs Department for the year 1950-51, furnish a rough guide to the growth of business in Nigeria during recent years.

Table 5.-Activities and Services of Posts and Telegraphs Department, Nigeria.

Item and unit	1945-46	1950-51	Increase factor
	£	£	
Cash revenue	323,845	617,650	
Cash transactions at post offices	8,611,553	10,998,827	
Postal articles dealt with	27,496,800	47,107,900	
Telegraphic traffic	1,477,139	2,100,673	
Trunk calls	344,030	815,091	
Telegraph and trunk wire mileage	13,285	37,564	
Telephones	5,314	10,502	
Radio distribution sets	4,234	12,786	
Wireless transmitters	73	192	
Wireless receivers (non-private)	82	210	
Direction finders	7	8	
Expenditure on staff personal emoluments (in BWA pounds)	208,367	695,808	

There are approximately 12,000 passenger automobiles currently operating in Nigeria, and these belong primarily to taxi-owners, wealthy natives and resident Europeans (gasoline costs approximately 45 cents per imperial gallon). The bicycle is still the most common means of wheeled transportation and there has been a considerable increase in the purchase of bicycles within the last three years. 24,416 bicycles are currently registered in Lagos alone. Newspaper circulation is at a weekly average of approximately 350,000 and is increasing with the slow growth of literacy and political consciousness. Most of the newspapers serve as political mouthpieces for the various local political groups. Legitimate theaters are almost non-existent, and there are no playings except a few native musical productions staged from time to time. Motion pictures, especially American westerns and musical films, are in great demand, and the local people will often deprive themselves of necessities in order to buy admission to one of the 40 small theaters (outdoor) in Nigeria. These theaters are located only in major cities and towns and have a total seating capacity of approximately 12,000.

Owing to the fact that most rural dwellings are mud and straw huts, and most urban dwellings are corrugated iron or scrap tin shacks, no adequate general construction indices are available. It can be stated that in the cities, particularly Lagos and Port Harcourt, there is a severe housing shortage and considerable overcrowding. Construction of all types of offices, residences, and commercial buildings is proceeding very rapidly in all population centers following the post-war period of material shortages. There are now adequate supplies of building materials and that industry is going through an unprecedented boom.

Indicators of Demand

The Mohammedan population of the Northern Region is directed, generally, by its religious beliefs in its economic wants. These people use large quantities of white cloth for robes, and have a greater resistance to the gaudier aspects of Europeanization than do those in the South. The standard Moslem religious taboos, such as their abhorrence of pork and alcohol, must always be borne in mind in dealing with this section of the country. The more numerous southern population is limited only by its income in the absorption of western goods, particularly of personal items possessing the qualities of bright color, high finish and low prices. In the major southern cities there is a great, unsatisfied demand for colorful American sport shirts, shoes, belts, neckties and hats which has been stimulated primarily by American motion pictures and magazines. This demand is curbed, however, by the present import and exchange control regulations which strictly limit the importation of American goods.

Since Nigerian housing is primitive, few houses are wired

for electricity, outside of the main urban centers, and the demand for household appliances is quite limited. Kerosene refrigerators, however, are enjoying an increasing popularity among the middle-income classes.

Despite official efforts at diversification, most Nigerians prefer a monotonous starchy diet of local grains, cassava and yams.

Only a small number of Nigerians are trained in the use of modern machinery and there has been no major efforts at large scale mechanization of Nigerian farming, which is the livelihood of the majority of the population. Further, like most tropical areas, climatic and topographical conditions do not lend themselves to economical use of agricultural machinery.

DISTRIBUTION FACTORS

Distribution Centers

Most imports and exports come through Lagos and Port Harcourt. Lagos is the most important internal distribution center, though Kano distributes a great deal in the northwest of Nigeria and adjacent French territory, Jos in the plateau region, Yola in the east, Makurdi and Lokoja in the interior, and Enugu and Onitsha in the southeast.

Foreign Trade Operations

Most of the importing and exporting is done by a few large firms with head offices in England, France, and Switzerland and with branches throughout West Africa. These firms control the bulk of the African products, and operate as distributors, wholesalers, and retailers of various lines of goods. The average firm handles general merchandise, with little specialization of lines. The local branch managers usually buy and sell on the basis of an indent from, or recommendation to, their head offices in Europe.

Every one of the several hundred thousand native traders in Nigeria is a potential importer or exporter, though inexperienced in these fields and usually quite unreliable as to business dealings and credit. Most are anxious to import, and to a lesser degree, to export. These traders range from fairly large wholesale houses to myriads of "pitchmen" selling their products in the streets. It should be noted that the majority of the African traders are women, or directed by women. Most of the reliable wholesalers and retailers are the big European-owned trading companies, which tend to favor trade with their home countries where their head offices and buying organizations are located. A few American companies, such as the petroleum products importers, retain direct distribution and supervisory sales staffs, with excellent results. Sales and distribution can be "farmed out" to a

greater or less degree, but company representation is desirable. It is highly undesirable that agencies be set up locally via correspondence or anything less than a visit by a representative of the American firm concerned. Only personal investigation can assure the reliability of potential local agencies, unless such agency be one of the large, well-known firms with European management.

Aids to Distribution

Warehousing facilities are poor, and reliable storage facilities can best be obtained through construction or lease of warehouses, if business is not being handled through a large European trading company.

Local advertising agencies are comparatively ineffective, but there are two which show considerable promise and could easily be developed under direct guidance by representatives of American firms.

In considering the establishment of direct offices in Nigeria, it should be pointed out that despite the country's reputation as "the white man's grave", the larger cities are not particularly dangerous for American representatives if reasonable medical precautions are observed. It is common practice at present for foreigners resident within Nigeria to keep their families here with them while on assignment in Nigeria.

Leave abroad, with a change of climate and surroundings, is considered essential every 12 to 18 months.

TRADE PRACTICES

Customary Terms of Sale

Goods may be sent f.o.b., port of shipment, but most merchants prefer quotations on the basis of c.i.f., port of arrival, inasmuch as ad valorem customs import duties in Nigeria are based on the c.i.f. price of the goods to the importer. The large European firms may ask a 30- or 60-day credit, which is ordinarily granted. A limited number of the better African firms are also extended credit upon request. The small indigenous trader should generally be required to effect payment by means of an advanced payment or an irrevocable confirmed letter of credit.

Established Customs

English is used as a language of correspondence by all commercial interests except a few native traders in the North, who use Hausa, the "trade language" of all West Africa. Any long term American representatives in Northern Nigeria would do well to learn this language. English, however, is the only language in common

use throughout Nigeria.

Hours of business throughout Nigeria are usually 8 to 12:30 p.m. and 2:30 to 4:30 p.m., although some concerns and all government offices work straight through from 7:30 a.m. until 2:30 p.m.

Since European-style food and lodging are rather scarce outside of the major urban centers, any business visitor is usually invited to lodge and dine with the person with whom he is dealing.

When selling to or buying from all except the largest African commercial firms, it is well for the American to take care of as much of the official documentation as possible.

Rather heavy personal income taxes are levied on monies derived in Nigeria, and a corporate profit tax of about 45 per cent on taxable profits is levied against corporations in Nigeria, represented either directly or by a direct agent. In the case of agencies in the hands of local concerns, the local concern absorbs the tax but will naturally pass it on to the represented company. This latter tax also is applicable only on monies derived in Nigeria.

Suggestions for Commercial Travelers

Hotels and similar accommodations in Nigeria do not meet very high standards and all the best accommodations are heavily booked. Advance hotel reservations should be made whenever possible.

The climate in most of Nigeria never necessitates heavy clothing, although woolen suits are sometimes worn in the North during the dry season; when evenings are cool. Any light clothing can be bought locally, if necessary.

Travelers to West Africa should begin taking malaria suppressives a week or two prior to their arrival on the coast.

Most drugs and toiletries needed by travelers can be purchased locally.

Air travel within Nigeria exceeds the services available and unless advance bookings are made, the traveler can count on unplanned delays in obtaining air passages.